

1 AN ACT to amend the Illinois Housing Development Act by  
2 changing Section 2.

3 Be it enacted by the People of the State of Illinois,  
4 represented in the General Assembly:

5 Section 5. The Illinois Housing Development Act is  
6 amended by changing Section 2 as follows:

7 (20 ILCS 3805/2) (from Ch. 67 1/2, par. 302)

8 Sec. 2. As used in this Act:

9 {a} "Authority" means the Illinois Housing Development  
10 Authority created in this Act.

11 {b} "Development costs" means the costs approved by the  
12 Authority as appropriate expenditures which may be incurred  
13 prior to commitment and initial closing of assisted mortgage  
14 financing or of housing related commercial facilities,  
15 including but not limited to: (1) payments for options to  
16 purchase properties for the proposed development or  
17 facilities, deposits on contracts of purchase, or, with the  
18 prior approval of the Authority, payments for the purchases  
19 of the such properties; (2) legal, organizational, and  
20 consultants' expenses; (3) payment of fees for preliminary  
21 feasibility studies and engineering and architectural work;  
22 (4) necessary application and other fees to federal, State  
23 and local government agencies; and (5) any such other  
24 expenses as the Authority may deem appropriate to effectuate  
25 the purposes of this Act.

26 {c} "Assisted mortgage financing" means a below market  
27 interest rate mortgage insured or purchased, or a loan made,  
28 by the Secretary of the United States Department of Housing  
29 and Urban Development or by any other federal agency or  
30 governmental corporation or by any political subdivision of  
31 the State of Illinois or by any Illinois public corporation;

1 a market interest rate mortgage insured or purchased, or a  
2 loan made in combination with, or as augmented by, a program  
3 of rent supplements, interest subsidies, leasing,  
4 contributions or grants, or other programs as are now or  
5 hereafter authorized by federal law to serve low or moderate  
6 income persons; a mortgage or loan made pursuant to this Act;  
7 or a mortgage or loan from any private or public source with  
8 an interest rate and terms satisfactory to the Authority and  
9 which will meet the requirements and purposes of this Act.

10 (d) "Lending institution" means any bank, trust company,  
11 savings bank, savings and loan association, credit union,  
12 national banking association, mortgage banking association,  
13 federal savings and loan association or federal credit unit  
14 maintaining an office in the State, any insurance company or  
15 any other entity or organization which makes or acquires  
16 loans secured by real property.

17 (e) "Residential mortgage" means a loan owed to a  
18 lending institution, to the Authority or to a trustee for  
19 holders of bonds or notes of the Authority or to a trustee  
20 for owners of pools of mortgages, and secured by a lien on  
21 real property located in the State and improved by a  
22 residential structure of one or more living units or a mixed  
23 residential and commercial structure, or unimproved if the  
24 proceeds of the such loan shall be used for the erection of a  
25 residential structure or a mixed residential and commercial  
26 structure thereon, whether or not such loan is insured or  
27 guaranteed by the United States of America or any agency or  
28 corporation thereof.

29 (f) "Development" means a specific work or improvement  
30 undertaken to provide dwelling accommodations, including the  
31 acquisition, construction or rehabilitation of lands,  
32 buildings and community facilities and in connection  
33 therewith to provide nonhousing facilities which are a part  
34 of a planned large-scale project or new community.

1           (g) "Persons and families of low and moderate income"  
2 and "Low income or moderate income persons" means families  
3 and persons who cannot afford to pay the amounts at which  
4 private enterprise, without assisted mortgage financing, is  
5 providing a substantial supply of decent, safe, and sanitary  
6 housing. The income limits for the admission of such families  
7 and persons to developments shall be those established under  
8 ~~pursuant--to~~ the rules applicable to the assisted mortgage  
9 financing program under which the such developments are  
10 financed.

11           (h) "Moderate rentals" means rent charges less than  
12 those rents generally charged for new dwelling units of  
13 comparable size and location built by the unassisted efforts  
14 of private enterprise and financed at then current market  
15 interest rates.

16           (i) "Low rentals" means rent charges at least 10% lower  
17 than moderate rentals.

18           (j) "Rents" or "Rentals" means ~~shall--mean~~ fees or  
19 charges paid for use of a development under this Act, whether  
20 the development is operated on a landlord-tenant basis or as  
21 a condominium or cooperative.

22           (k) "Limited-profit entity" means any individual, joint  
23 venture, partnership, limited partnership, trust, or  
24 corporation organized or existing under the laws of the State  
25 of Illinois or authorized to do business in this State and  
26 having articles of incorporation or comparable documents of  
27 organization or a written agreement with the Authority which,  
28 in addition to other requirements of law, provide:

29           (1) that if the limited-profit entity receives any  
30 loan from the Authority as provided for in this Act, it  
31 shall be authorized to enter into an agreement with the  
32 Authority providing for regulations with respect to  
33 rents, profits, dividends and disposition of property or  
34 franchises; and

1           (2) that if the limited-profit entity receives a  
2 loan, as provided for in this Act, the Chairman of the  
3 Authority, acting with the prior approval of the  
4 Authority, shall have the power, if he determines that  
5 any such loan is in jeopardy of not being repaid, or that  
6 the proposed development for which the such loan was made  
7 is in jeopardy of not being constructed, or the  
8 limited-profit entity is otherwise in violation of rules  
9 and regulations promulgated by the Authority, to appoint  
10 to the board of directors or other comparable controlling  
11 body of the such limited-profit entity a number of new  
12 directors or persons, which number shall be sufficient to  
13 constitute a voting majority of the such board or  
14 controlling body, notwithstanding any other provisions of  
15 the limited-profit entity's articles of incorporation or  
16 other documents of organization, or of any other  
17 provisions of law, provided that this requirement set  
18 forth in this paragraph (2) is not mandatory in the case  
19 of loans made solely with monies from the Authority's  
20 administrative fund.

21       (1) "Land development" means the process of clearing and  
22 grading land, making, installing, or constructing waterlines  
23 and water supply installations, sewerlines and sewage  
24 disposal installations, steam, gas, and electric lines and  
25 installations, roads, streets, curbs, gutters, sidewalks,  
26 storm drainage facilities, and other installations or work,  
27 whether on or off the site, necessary or desirable to prepare  
28 land for residential, commercial, industrial, or other uses,  
29 or to provide facilities for public or common use.

30       (m) "Nonprofit corporation" means a nonprofit  
31 corporation incorporated pursuant to the provisions of the  
32 Illinois General Not For Profit Corporation Act of 1986 or  
33 the State Housing Act ~~of 1933~~ and having articles of  
34 incorporation which, in addition to other requirements of

1 law, provide:

2 (1) that the corporation has been organized to  
3 provide housing facilities for persons of low and  
4 moderate income;

5 (2) that all income and earnings of the corporation  
6 shall be used exclusively for corporation purposes and  
7 that no part of the net income or net earnings of the  
8 corporation shall inure to the benefit or profit of any  
9 private individual, firm, corporation, partnership, or  
10 association;

11 (3) that the corporation is in no manner controlled  
12 or under the direction or acting in the substantial  
13 interest of private individuals, firms, corporations,  
14 partnerships, or associations seeking to derive profit or  
15 gain therefrom or seeking to eliminate or minimize losses  
16 in any dealings or transactions therewith;

17 (4) that if the corporation receives any loan or  
18 advance from the Authority as provided for in this Act,  
19 it shall be authorized to enter into an agreement with  
20 the Authority providing for regulation with respect to  
21 rents, profits, dividends, and disposition of property or  
22 franchises;

23 (5) that if the corporation receives a loan or  
24 advance, as provided for in this Act, the chairman of the  
25 Authority, acting with the prior approval of the majority  
26 of the members of the Authority, shall have the power if  
27 he determines that any such loan or advance is in  
28 jeopardy of not being repaid, or that the proposed  
29 development for which the such loan or advance was made  
30 is in jeopardy of not being constructed, or that some  
31 part of the net income or net earnings of the corporation  
32 is inuring to the benefit of any private individual,  
33 firm, corporation, partnership, or association, or that  
34 the corporation is in some manner controlled or under the

1 direction of or acting in the substantial interest of any  
2 private individual, firm, corporation, partnership, or  
3 association seeking to derive benefit or gain therefrom  
4 or seeking to eliminate or minimize losses in any  
5 dealings or transactions therewith, or is in violation of  
6 rules and regulations promulgated by the Authority to  
7 appoint to the board of directors of the such corporation  
8 a number of new directors, which number shall be  
9 sufficient to constitute a majority of the such board,  
10 notwithstanding any other provisions of the such articles  
11 of incorporation or of any other provisions of law; and

12 (6) that each development of the such corporation  
13 shall be operated exclusively for the benefit of the  
14 persons who are housed in the such development, which  
15 shall include families or persons of low or moderate  
16 income as required by this Act, and that the such  
17 development shall reserve for families or persons of low  
18 or moderate income the number and types of dwelling units  
19 required by applicable federal or State law.

20 The requirements contained in paragraphs (2), (3), (5)  
21 and (6) are not mandatory in the case of loans made solely  
22 from the Authority's administrative fund.

23 (n) "State" means the State of Illinois.

24 (o) "Community facilities" means the land, buildings,  
25 improvements and equipment for land development, for health,  
26 welfare, recreational, social, educational and commercial  
27 activities, and for public, common or municipal services.

28 (p) "Sinking fund payment" means the amount of money  
29 specified in the resolution or resolutions authorizing term  
30 bonds as payable into a sinking fund during a particular  
31 period for the retirement of term bonds at maturity after  
32 that such period, but shall not include any amount payable by  
33 reason only of the maturity of a bond.

34 (q) "Housing related commercial facilities" means

1 commercial facilities which are or are to be related to a  
2 development. Commercial facilities are related to a  
3 development if they are, in the sole judgment of the  
4 Authority, located in the same area as the development and  
5 (i) necessary or desirable in order to provide services for  
6 residents of that area in which the development is located;  
7 or (ii) a portion of the revenues of the commercial  
8 facilities are to be used to provide funds for paying costs  
9 of construction, acquisition, rehabilitation, operation,  
10 maintenance of or payment of debt service on the development  
11 or (iii) necessary or desirable in order to make the  
12 development successful, such as, without limitation,  
13 eliminating or preventing slum or blighted conditions,  
14 preserving historic structures or ensuring that facilities  
15 are not inconsistent with the development. For purposes of  
16 this Section, "commercial facilities" includes land,  
17 buildings, improvements, equipment and all ancillary  
18 facilities for use for offices, stores, retirement homes,  
19 hotels, financial institutions, service health care,  
20 education, recreation or research establishments or any other  
21 commercial purpose.

22 ~~(#)~~ "Rate protection contract" means interest rate  
23 exchange agreements; currency exchange agreements; forward  
24 payment conversion agreements; contracts providing for  
25 payment or receipt of funds based on levels of, or changes  
26 in, interest rates, currency exchange rates, stock or other  
27 indices; contracts to exchange cash flows or a series of  
28 payments; contracts, including without limitation, interest  
29 rate caps; interest rate floors; interest rate locks;  
30 interest rate collars; rate of return guarantees or  
31 assurances, to manage payment, currency, rate, spread or  
32 similar exposure; the obligation, right, or option to issue,  
33 put, lend, sell, grant a security interest in, buy, borrow or  
34 otherwise acquire, a bond, note or other security or interest

1     therein as an investment, as collateral, as a hedge, or  
2     otherwise as a source or assurance of payment to or by the  
3     Authority or as a reduction of the Authority's or an  
4     obligor's risk exposure; repurchase agreements; securities  
5     lending agreements; and other agreements or arrangements  
6     similar to the foregoing.

7         ~~(s)~~ "Affordable Housing Program Trust Fund Bonds or  
8     Notes" means bonds or notes issued by the Authority pursuant  
9     to the provisions of this Act for the purposes of providing  
10    affordable housing to low and very low income persons as  
11    provided in the Illinois Affordable Housing Act through the  
12    use or pledge, in whole or in part, of Trust Fund Moneys  
13    dedicated or otherwise made available to the Authority.

14         ~~(t)~~ "Trust Fund Moneys" has the meaning given to that  
15    term in Section 3 of the Illinois Affordable Housing Act.

16    (Source: P.A. 87-250; 88-93.)

17         Section 99. Effective date. This Act takes effect upon  
18    becoming law.